

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

May 11, 1999

IN RE:)	
JOINT APPLICATION OF SBC)	
COMMUNICATIONS, INC. AND AMERITECH)	DOCKET NO. 99-00217
CORPORATION FOR APPROVAL OF INDIRECT)	
TRANSFER OF CONTROL OF AMERITECH)	
COMMUNICATIONS INTERNATIONAL, INC. AND)	
AMERITECH PAYPHONE SERVICES, INC.)	

ORDER APPROVING MERGER AND TRANSFER OF CONTROL

This matter came before the Tennessee Regulatory Authority ("Authority") on the Application of SBC Communications Inc. ("SBC") and Ameritech Corporation ("Ameritech") (collectively the "Applicants") pursuant to the provisions of Tenn. Code Ann. § 65-4-112, for approval of the indirect transfer of control of two subsidiaries of Ameritech to SBC. The two subsidiaries are Ameritech Communications International, Inc. ("ACII"), a wholly-owned, indirect-subsiidiary of Ameritech, and Ameritech Payphone Services, Inc. ("APS"), a wholly-owned direct subsidiary of Ameritech.

From the application and the record existing in this matter, it appears that:

1. SBC is a Delaware Holding Company publicly traded on the New York Stock Exchange and headquartered in San Antonio, Texas. SBC is among the largest telecommunications companies in the United States and through its subsidiaries offers a range of services including local and long distance telephone service, wireless communications, paging, Internet access, and messaging, as well as telecommunications equipment and directory advertising and publishing. SBC is also the corporate parent of two certificated entities operating in Tennessee that hold authorizations to provide resold intrastate, interexchange

telecommunications services. These entities are Southwestern Bell Communications Services, Inc. ("SBCS") and SNET America, Inc. ("SAI").

2. Ameritech is a Delaware corporation publicly traded on the New York Stock Exchange and headquartered in Chicago, Illinois. Ameritech provides a range of communication services including local and long distance telephone service, cellular, paging, security services, cable TV, and Internet service. Ameritech provides these services to customers in all fifty states and forty different countries.

3. As stated in the Application, on May 10, 1998, SBC and Ameritech entered into an Agreement and Plan of Merger under which Ameritech would become a first tier, wholly-owned subsidiary of SBC. Although SBC will take control of Ameritech, ACII and APS will remain wholly-owed subsidiaries of Ameritech and continue to hold their respective authorizations to offer specifically defined telecommunications services in this state. The acquisition of Ameritech by SBC, therefore, will be virtually transparent to the customers of ACII and APS in terms of services that they receive, and the transfer will have no adverse affects on the customers of ACII and APS.

4. It appears that both ACII and APS will benefit from this merger because the merger will insure the continued provision of telecommunication services to the existing customers of ACII and APS.

5. Further, consumers in Tennessee should benefit by increased competition in all phases and among all providers of telecommunications services, particularly among providers of local exchange and intrastate, inter-exchange telecommunications services. Thus, according to the Applicants, the approval of the transfer of control will serve the public interest.

I. CRITERIA FOR APPROVING MERGER

A merger between regulated public utilities is not valid until approved by the Authority under the provisions of Tenn. Code Ann. § 65-4-112. In addition, under Tenn. Code Ann. § 65-4-101, any entity that owns, operates, manages or controls [utility] systems, plant or equipment under certification by this Authority to provide utility service in the state of Tennessee is a public utility. Since this merger involves two entities holding certificates in Tennessee, Authority approval is required under Tenn. Code. Ann. § 65-4-112(a) which provides as follows:

(a) No lease of its property, rights, or franchises, by any such public utility, and no merger or consolidation of its property, rights and franchises by any such public utility with the property, rights and franchises of any other such public utility of like character shall be valid until approved by the authority, even though power to take such action has been conferred on such public utility by the state of Tennessee or by any political subdivision of the state. (Emphasis supplied).

II. FINDINGS OF FACT AND CONCLUSIONS OF LAW

The Directors of the Authority considered this matter at a regularly scheduled Authority Conference held on April 20, 1999. Based upon careful consideration of the Application and the Exhibits thereto, and of the entire record of this matter, the Authority finds and concludes as follows:

1. That the Authority has jurisdiction over the subject matter of said Application pursuant to Tenn. Code Ann. § 65-4-112;
2. That the merger has been consummated through the Agreement and Plan of Merger entered into on May 10, 1998;
3. That both SBC and Ameritech, through their subsidiaries, have engaged in the business of providing telecommunications services in Tennessee;


4. That Ameritech would become a first-tier, wholly-owned subsidiary of SBC;
5. That this transfer of control is transparent to customers of ACII and APS in terms of services that they receive; and
6. That based upon the foregoing, the transfer of control is compatible with the public interest.

IT IS THEREFORE ORDERED THAT:

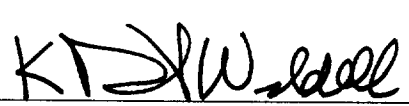
1. The Application of SBC and Ameritech for approval of the indirect transfer of control described herein is granted; and
2. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration Authority within ten (10) days from and after the date of this Order.


Melvin J. Malone, Chairman


H. Lynn Greer, Jr., Director


Sara Kyle, Director

ATTEST:


K. David Waddell, Executive Secretary